

Message Text

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ORIGIN EB-08

INFO OCT-01 AF-10 ARA-10 EA-07 EUR-12 NEA-10 ISO-00
L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGRE-00
AID-05 CIAE-00 COME-00 INR-07 IO-13 LAB-04
NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 SS-15
OES-07 /133 R

DRAFTED BY EB/IFD/ODF:AADAMS:DA
APPROVED BY EB/IFD:CFMEISSNER
AID:KKAUFFMAN - EB/IFD/OMA:BCROWE
IO/IEP:EBRUCE- EB/ITP/EWT:HCHARLES
TREAS:ECHASE
EB/IFD/ODF:MVCREE
EUR/RPE:ECASEY
EB/IFD/BP:WLOCKWOOD
EB/OT/GCP:JSLATTERY
EB/ORF/ICD:CANGEVINE

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P 152118Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY LONDON PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY BONN PRIORITY
AMEMBASSY BRUSSELS PRIORITY
AMEMBASSY TOKYO PRIORITY
AMEMBASSY OTTAWA PRIORITY
AMEMBASSY BERN PRIORITY

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BRUSSELS ALSO FOR USEC ACTION; PARIS ALSO FOR OECD INFO

E.O. 11652: N/A

TAGS: UNCTAD, ETRD, EFIN
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SUBJECT: TDB OFFICIALS MEETING, SEPTEMBER 5-9

REF: (A) STATE 135733, (B) GENEVA 5684, (C) STATE 163195,
(D) GENEVA 5845, (E) STATE 160950

1. BEGIN SUMMARY. DEPARTMENT BELIEVES IT IMPORTANT THAT
KEY MEMBERS OF B GROUP COORDINATE THEIR POSITIONS WITH
RESPECT TO THE AGENDA OF THE TDB MINISTERIAL MEETING OF
UNCTAD WHICH LIKELY WILL BE SCHEDULED FOR JANUARY 1978. AT
THIS STAGE, THERE HAS BEEN NO FORMAL DECISION ON THE CONTENT

OF THIS AGENDA. THE SECRETARIAT, WITH G-77 SUPPORT, HAS INDICATED THAT THE MINISTERIAL SHOULD CONCENTRATE HEAVILY ON DEBT. SUCH AN AGENDA WOULD ENHANCE PRESSURES TO NEGOTIATE THE DEBT PROBLEM IN UNCTAD. THIS WE STRONGLY OPPOSE FOR REASONS GIVEN IN SEPTEL. SHORTENING THE DURATION OF THE MINISTERIAL AND BROADENING ITS AGENDA ARE ESSENTIAL ELEMENTS TO DILUTE UNCTAD'S FOCUS ON THIS ISSUE AND PREVENT PRESSURES FROM BUILDING TO THE POINT WHERE SOME OF OUR B GROUP PARTNERS MIGHT ACCOMMODATE SOME KIND OF OPERATIONAL ROLE ON DEBT FOR UNCTAD.

2. THE MINISTERIAL AGENDA WILL BE THE PRIMARY TOPIC AT THE

TDB OFFICIALS MEETING IN GENEVA, SEPTEMBER 5-9 (I.E., 9TH SPECIAL SESSION OF THE TDB, PART 1). WE NEED TO MOVE PROMPTLY TO ESTABLISH A COMMON POSITION ON THIS IMPORTANT QUESTION. AFTER REVIEWING REFTELS, ADDRESSEES ARE REQUESTED AT THEIR EARLY CONVENIENCE TO PRESENT U.S. VIEWS TO APPROPRIATE LEVEL AND MINISTRY OF HOST GOVERNMENT AND REPORT REACTION. END SUMMARY.

3. DEPARTMENT ATTACHES IMPORTANCE TO THE TDB MINISTERIAL LIMITED OFFICIAL USE
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MEETING BEING PLANNED FOR JANUARY 1978 AND BELIEVES EARLY AND CONTINUING B GROUP COORDINATION IS ESSENTIAL IF WE ARE TO AVOID AN UNSATISFACTORY OUTCOME ON DEBT. AS REF A INDICATES, WE BELIEVE THAT THIS MEETING SHOULD BE VIEWED IN A BROADER CONTEXT--AS A POTENTIALLY SIGNIFICANT DECISION POINT FOR DEFINING UNCTAD'S PLACE IN THE OVERALL NORTH/SOUTH INSTITUTIONAL FRAMEWORK AS WELL AS AN INITIAL STEP IN THE PROCESS OF PREPARING THE GROUNDWORK FOR UNCTAD V, PROBABLY IN LATE MAY 1979. WE, THEREFORE, SUPPORT A REAFFIRMATION BY THIS MEETING OF UNCTAD'S PRESENT MANDATE WITH RESPECT TO COMMODITIES, COMMON FUND, MANUFACTURES (E.G., GSP), ECONOMIC RELATIONS WITH SOCIALIST STATES, ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES AND THE LEAST DEVELOPED. BUT WE WANT TO PREVENT LIKELY LDC ATTEMPTS AT THIS MEETING TO EXPAND UNCTAD'S INTENTIONALLY LINKED MANDATE IN AREAS SUCH AS MONETARY AFFAIRS, DEBT AND OFFICIAL TRANSFERS; PRIMARY RESPONSIBILITY FOR THESE ISSUES SHOULD BE WITH THE WORLD BANK, THE IMF, AND THEIR JOINT DEVELOPMENT COMMITTEE. (SEPTEL WILL PROVIDE FURTHER GUIDANCE IN DETAIL ON THE DEBT QUESTION AND HOW WE WOULD LIKE IT TO BE HANDLED AT THE OFFICIALS MEETING.) FOR THIS REASON, WE WOULD LIKE TO LIMIT CONSIDERATION OF DEBT AT THE TDB MINISTERIAL TO (A) A REVIEW OF THE CIEC OUTCOME ON DEBT, PER UNCTAD RESOLUTION 94(IV) AND (B) A LOOK AT THE OVERALL DEVELOPMENTAL PROBLEMS OF THE LEAST DEVELOPED WHICH MAY INCLUDE INTER ALIA SOME DISCUSSION OF THE DEBT SITUATION OF THESE KINDS OF

COUNTRIES. AS WAS THE CASE WITH CIEC, ANY DEBT WORK DONE IN THE DEVELOPMENT COMMITTEE WOULD BE ELIGIBLE FOR REVIEW IN JANUARY BY THE TDB MINISTERIAL.

4. MANY OF THESE IDEAS WERE PRESENTED TO THE B GROUP CAUCUS JULY 14 IN GENEVA, ALTHOUGH NO DECISIONS WERE TAKEN AT THAT TIME ON THE SUBSTANCE OF THE AGENDA (REF D).

5. AT THIS POINT, THERE HAS BEEN NO FORMAL AGREEMENT ON LIMITED OFFICIAL USE
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THE AGENDA OR DURATION OF THE TDB MINISTERIAL (DEBT ASPECTS OF THE AGENDA ARE DISCUSSED SEPTEL., AN OFFICIALS MEETING OF THE TDB, SEPTEMBER 5-9, HAS BEEN CALLED TO

DECIDE THESE MATTERS AND TO FINALIZE AGREEMENT ON THE MINISTERIAL'S TENTATIVE DATES, JANUARY 23-27. IT WILL ALSO DISCUSS THE NEED FOR A SECOND INTERGOVERNMENTAL GROUP OF EXPERTS ON DEBT THIS FALL AND CONSIDER ITS WORK PROGRAM, IF A MEETING IS SCHEDULED. (FYI: AS PRICE FOR PUTTING OFF MINISTERIAL UNTIL 1978, WE AGREED TO A FIRST IGE ON DEBT (JULY), BUT RESERVED ON WHETHER TO ATTEND A SECOND SUCH MEETING IN 1977.)

6. WE BELIEVE IT IMPERATIVE THAT OFFICIALS MEETING PRODUCE A BROAD AGENDA WHICH WILL DEFUSE PRESSURES IN UNCTAD FOR AN OPERATIONAL ROLE ON DEBT. HOWEVER, WE ALSO BELIEVE IT IMPORTANT THAT THE CONCLUSIONS OF THE OFFICIALS MEETING WITH RESPECT TO AN AGENDA BE SUBJECT TO CONFIRMATION AND/OR FURTHER ELABORATION IN LIGHT OF SIGNIFICANT INTERVENING NORTH/SOUTH EVENTS THIS FALL. AMONG THESE EVENTS ARE THE RESUMED 31ST UNGA, THE 32ND REGULAR UNGA, THE IMF-IBRD DEVELOPMENT COMMITTEE MEETING IN LATE SEPTEMBER AND THE NOVEMBER NEGOTIATING CONFERENCE ON THE COMMON FUND AT UNCTAD. THE RESULTS OF THESE MEETINGS, WE BELIEVE, SHOULD BE TAKEN FULLY INTO ACCOUNT IN DEFINITELY ESTABLISHING THE MINISTERIAL AGENDA. TO THIS END, WE PLAN TO PROPOSE THAT A SECOND OFFICIALS MEETING BE HELD IN EARLY DECEMBER.

7. IN ORDER TO ASSURE THAT OUR VIEWS ARE GIVEN PROPER AND TIMELY ATTENTION BY DECISION MAKERS IN CAPITALS, WE ASK THAT YOU APPROACH YOUR HOST GOVERNMENT AT A SUITABLE LEVEL, DRAWING UPON THE FOLLOWING POINTS. WE WOULD APPRECIATE LIMITED OFFICIAL USE
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RECEIVING REPORTS OF REACTIONS SOONEST, COPY TO GENEVA.

TALKING POINTS:

-- WE BELIEVE IT IMPORTANT THAT THE B GROUP CAREFULLY COORDINATE ITS POSITION IN ADVANCE OF THE TDB MINISTERIAL MEETING BEING PLANNED FOR JANUARY 1978. WE ARE ESPECIALLY ANXIOUS TO ACHIEVE AN EARLY CONSENSUS ON THE AGENDA AND DURATION OF THE MEETING. AT A B GROUP CAUCUS JULY 14 WE PRESENTED SOME PRELIMINARY VIEWS CONCERNING THESE MATTERS. A TDB OFFICIALS MEETING HAS NOW BEEN SCHEDULED FOR SEPTEMBER 5-9 TO DECIDE ON THE MINISTERIAL AGENDA AND THE RELATED QUESTION OF WHETHER A NEED EXISTS FOR A SECOND INTERGOVERNMENTAL EXPERTS GROUP ON DEBT.

-- AS YOU MAY RECALL FROM OUR EARLIER APPROACHES ON DEBT (E.G., REF E), THE U.S. BELIEVES THAT THE TDB OFFICIALS SHOULD ADOPT AN AGENDA FOR THE MINISTERIAL WHICH--PURSUANT TO UNCTAD RESOLUTION 90(IV)--FOCUSES ON A NUMBER OF IMPORTANT POLICY AREAS. WE STRONGLY HOLD THAT THE MINISTERIAL

SHOULD NOT ADDRESS EXCLUSIVELY DEBT AND RELATED QUESTIONS. TO AVOID SUCH AN OUTCOME, IT WILL BE NECESSARY TO AGREE ON A CONSIDERABLY BROADER AGENDA AND TO HOLD OPEN THE POSSIBILITY OF FURTHER REVIEW OF THE AGENDA IN EARLY DECEMBER PENDING OUTCOME OF THE FALL MEETINGS.

-- WE WOULD THEREFORE APPRECIATE YOUR VIEWS OF AN AGENDA STRUCTURED ON THE FOLLOWING LINES:

(A) A REVIEW REPEAT REVIEW OF UNCTAD'S WORK SINCE NAIROBI ON MANUFACTURES (E.G., GSP), COMMODITIES, ECONOMIC COOPERATION AMONG DEVELOPING NATIONS, TRADE WITH SOCIALIST STATES, AND THE PROBLEMS OF THE LEAST DEVELOPED. IN SUGGESTING THIS TOPIC, WE DO NOT INTEND A FULL SCALE SUBSTANTIVE DEBATE, ALTHOUGH WE RECOGNIZE THE RISK THAT LIMITED OFFICIAL USE
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THE G-77 WILL WANT TO USE THIS ITEM TO RENEW PRESSURES FOR CONCESSIONS. TO MINIMIZE THIS RISK, WE WOULD NEED TO MAKE CLEAR THAT DISCUSSION OF THESE TOPICS SHOULD BE LIMITED TO A NEUTRAL PROGRESS REPORT BY THE SECRETARIAT OF WHERE MATTERS NOW STAND AND OF WHAT REMAINS TO BE DONE; THE SECRETARIAT SHOULD BE INSTRUCTED THAT THESE PAPERS SHOULD NOT TRANSGRESS THE JURISDICTIONS OF OTHER ORGANIZATIONS (E.G., GATT/MTN, WIPO). (WE RECOGNIZE THAT THE PROSPECTS FOR NEUTRAL DOCUMENTATION BY THE SECRETARIAT ARE PROBLEMATIC.) IN THE COMMODITY AREA, WE SHOULD TRY TO AVOID ANY DISCUSSION ON THE COMMON FUND AND DIRECT ATTENTION TOWARD A REVIEW OF PROGRESS ON SPECIFIC COMMODITY NEGOTIATIONS. SHOULD WE BE UNABLE TO AVOID COMPLETELY CONSIDERATION OF THE COMMON FUND, THIS SHOULD BE LIMITED TO A REVIEW REPEAT REVIEW OF THE NOVEMBER NEGOTIATIONS. THERE SHOULD

BE NO NEGOTIATIONS ON COMMODITY ISSUES AT THE TDB MINISTERIAL.

(B) IN KEEPING WITH TDB DECISION 149(XVI), A GENERAL REVIEW OF THE FINANCIAL AND DEVELOPMENTAL SITUATIONS OF THE LEAST DEVELOPED (LLDCS) AND OF MEASURES BEING TAKEN BY DONORS TO ENHANCE ASSISTANCE TO THESE COUNTRIES. WE RECOGNIZE THAT THE RESOLUTION MENTIONS, INTER ALIA, DEBT OF THE LEAST DEVELOPED, BUT SHOULD SEEK TO DOWNPLAY THIS ASPECT IN THE CONTEXT OF THE ENTIRE RANGE OF LLDC ISSUES. WE SHOULD REITERATE STRONGLY OUR OPPOSITION TO ANY ATTEMPT TO NEGOTIATE USE OF DEBT RELIEF AS A FORM OF RESOURCE TRANSFER. FOR REASONS STATED BY A MAJORITY OF B GROUP AT THE 16TH SESSION OF THE TDB, OCTOBER 1976, WE CONSIDER ANY OBLIGATIONS REGARDING LLDC DEBT PURSUANT TO RESOLUTION 98(IV) TO HAVE BEEN SATISFIED FULLY AND WOULD OPPOSE ANY EFFORTS TO MAKE LLDC DEBT A SEPARATE AGENDA ITEM.

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(C) A REVIEW REPEAT REVIEW OF THE ACTIONS TAKEN IN CIEC AND ELSEWHERE IN ACCORDANCE WITH RESOLUTION 94(IV) AND IN PARTICULAR PARA TWO WHICH STATES "INVITES APPROPRIATE EXISTING INTERNATIONAL FORA TO DETERMINE BEFORE THE END OF 1976 (SIC), WHAT FEATURES MIGHT USEFULLY BE DISCERNED FROM PAST OPERATIONS, TOGETHER WITH OTHERS THAT MIGHT BE IDENTIFIED IN THE LIGHT OF THE PRESENT SITUATION OF THE LEAST DEVELOPED COUNTRIES, THE MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES AND OTHER COUNTRIES IN NEED WHICH COULD PROVIDE GUIDANCE IN FUTURE OPERATIONS RELATING TO DEBT PROBLEMS AS A BASIS FOR DEALING FLEXIBLY WITH INDIVIDUAL CASES." IT IS OUR FIRM UNDERSTANDING OF THE AGREEMENT AT UNCTAD IV THAT A REVIEW OF RESOLUTION 94(IV) IS THE ONLY ASPECT OF DEBT TO BE SEPARATELY CONSIDERED AT THE MINISTERIAL. THIS POSITION REFLECTS THE INTENTIONALLY NARROW MANDATE OF 94(IV); IT IS OF PRIMARY IMPORTANCE THAT THE AGENDA REFLECT THIS STRICT INTERPRETATION AND NOT BE DESIGNED SO AS TO ENABLE UNCTAD TO BECOME THE FORUM FOR NEGOTIATING THE DEBT ISSUE.

-- WE WOULD SIMILARLY APPRECIATE YOUR VIEWS ON THE ADVISABILITY OF HIGHLIGHTING THE ISSUE OF EAST-SOUTH TRADE (RESOLUTION 95(IV)) BY ESTABLISHING A SEPARATE AGENDA ITEM FOR IT, RATHER THAN CONSIDERING IT AS A SUB-ITEM IN THE GENERAL REVIEW OF UNCTAD'S WORK ON A NUMBER OF QUESTIONS SINCE UNCTAD IV. IN ANY EVENT, WE WOULD WISH TO AVOID CREATING THE IMPRESSION OF A DELIBERATE ATTEMPT TO EMBARRASS THE SOVIETS, WHOSE PERFORMANCE UNDER RESOLUTION 95(IV) HAS LAGGED. THE U.S. WOULD THEREFORE NOT WANT TO TAKE THE LEAD IN PROPOSING SUCH AN ITEM BUT WOULD LIKE TO EXPLORE THE PROS AND CONS OF A COLLECTIVE B GROUP EFFORT,

OR EVEN BETTER, ONE BY THE G-77 ITSELF.

-- WE BELIEVE IT IMPORTANT THAT, IN CONSIDERING THE
MINISTERIAL AGENDA, THE OFFICIALS MEETING TAKE PROPER NOTE
OF IMPORTANT NORTH/SOUTH EVENTS WHICH WILL OCCUR THIS FALL.
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THESE INCLUDE THE RESUMED 31ST UNGA, THE 32ND UNGA, THE
DEVELOPMENT COMMITTEE MEETING AND THE COMMON FUND NEGOTIA-
TING CONFERENCE. THE U.S., THEREFORE, RECOMMENDS THAT THE
CONCLUSIONS OF THE OFFICIALS MEETING BE MADE PROVISIONAL
AND SUBJECT TO REVIEW AND CONFIRMATION AND/OR ELABORATION
AT SOME POINT AFTER THESE EVENTS. WE WOULD LIKE YOUR VIEWS
ON THE POSSIBILITY OF SCHEDULING A SECOND OFFICIALS MEETING
IN EARLY DECEMBER TO FINALIZE THE AGENDA. THIS PROCEDURE,
WE BELIEVE, WILL ALLOW US TO MAINTAIN SOME DEGREE OF
FLEXIBILITY ON THE AGENDA QUESTION IN LIGHT OF INTERVENING
EVENTS.

-- CONCERNING THE TIMING OF THE TDB MINISTERIAL, WE HAVE NO
PROBLEMS WITH THE DATES BEING SUGGESTED (JANUARY 23-27)
BUT SERIOUSLY QUESTION THE UTILITY OF A FIVE DAY CONFERENCE.
TWO OR THREE DAYS STRIKES US AS MORE REASONABLE.

-- THE TDB OFFICIALS MEETING WILL ALSO CONSIDER THE QUES-
TION OF A SECOND INTERGOVERNMENTAL EXPERTS GROUP ON DEBT,
BEING SCHEDULED FOR OCTOBER 17-28, AS WELL AS THE AGENDA
FOR SUCH A MEETING. THE U.S. STILL STRONGLY BELIEVES THAT
THIS MEETING IS NOT REALLY NEEDED. WE HAVE JUST SENT
FURTHER GUIDANCE FROM WASHINGTON ON HOW WE WOULD LIKE TO
PROCEED AT THE OFFICIALS MEETING IN SEPTEMBER ON THE DEBT
QUESTION.

8. WE HOPE TO CONTINUE EXCHANGES ON THESE QUESTIONS WITH
B GROUP DELEGATIONS DURING THE REGULAR TDB (XVII) MEETING
(AUGUST 25-SEPTEMBER 2) WHERE CHARLES F. MEISSNER, DEPUTY
ASSISTANT SECRETARY (EB/IFD), WILL REPRESENT THE UNITED
STATES.

9. FOR LONDON AND BONN: MEISSNER EXPECTS TO DISCUSS
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SUBSTANCE OF THIS MESSAGE AMONG OTHER VIEWS DURING PRE-TDB
(XVII) CONSULTATIONS.

10. FOR GENEVA: GIVEN THE SHORT TIME REMAINING BEFORE THE
UNCTAD OFFICIALS MEETING, GENEVA HAS DISCRETION TO APPROACH
JAPANESE MISSION IN PARALLEL WITH EMBASSY TOKYO DEMARCHE

IF, IN ITS JUDGMENT, SUCH WOULD FACILITATE JAPANESE
COORDINATION AND DECISION MAKING ON THE QUESTION OF THE
MINISTERIAL AGENDA. VANCE

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INFO RUEHDT/USMISSION USUN NEW YORK IMMEDIATE 0000

USMISSION GENEVA IMMEDIATE

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FOLLOWING REPEAT STATE 193089 SENT ACTION LONDON, PARIS, BONN,
BRUSSELS, TOKYO, OTTAWA, BERN 15 AUG 77

QUOTE LIMITED OFFICIAL USE STATE 193089

BRUSSELS ALSO FOR USEC ACTION; PARIS ALSO FOR OECD INFO

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PAGE 06 STATE 193089

REVIEW OF PROGRESS ON SPECIFIC COMMODITY NEGOTIATIONS.
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MINISTERIAL.

(B) IN KEEPING WITH TDB DECISION 149(XVI), A GENERAL REVIEW

OF THE FINANCIAL AND DEVELOPMENTAL SITUATIONS OF THE LEAST DEVELOPED (LLDCS) AND OF MEASURES BEING TAKEN BY DONORS TO ENHANCE ASSISTANCE TO THESE COUNTRIES. WE RECOGNIZE THAT THE RESOLUTION MENTIONS, INTER ALIA, DEBT OF THE LEAST DEVELOPED, BUT SHOULD SEEK TO DOWNPLAY THIS ASPECT IN THE CONTEXT OF THE ENTIRE RANGE OF LLDC ISSUES. WE SHOULD REITERATE STRONGLY OUR OPPOSITION TO ANY ATTEMPT TO NEGOTIATE USE OF DEBT RELIEF AS A FORM OF RESOURCE TRANSFER. FOR REASONS STATED BY A MAJORITY OF B GROUP AT THE 16TH SESSION OF THE TDB, OCTOBER 1976, WE CONSIDER ANY OBLIGATIONS REGARDING LLDC DEBT PURSUANT TO RESOLUTION 98(IV) TO HAVE BEEN SATISFIED FULLY AND WOULD OPPOSE ANY EFFORTS TO MAKE LLDC DEBT A SEPARATE AGENDA ITEM.

(C) A REVIEW REPEAT REVIEW OF THE ACTIONS TAKEN IN CIEC AND ELSEWHERE IN ACCORDANCE WITH RESOLUTION 94(IV) AND IN PARTICULAR PARA TWO WHICH STATES "INVITES APPROPRIATE EXISTING INTERNATIONAL FORA TO DETERMINE BEFORE THE END OF 1976 (SIC), WHAT FEATURES MIGHT USEFULLY BE DISCERNED FROM PAST OPERATIONS, TOGETHER WITH OTHERS THAT MIGHT BE IDENTIFIED IN THE LIGHT OF THE PRESENT SITUATION OF THE LEAST DEVELOPED COUNTRIES, THE MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES AND OTHER COUNTRIES IN NEED WHICH COULD PROVIDE GUIDANCE IN FUTURE OPERATIONS RELATING TO DEBT PROBLEMS AS A BASIS FOR DEALING FLEXIBLY WITH LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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INDIVIDUAL CASES." IT IS OUR FIRM UNDERSTANDING OF THE AGREEMENT AT UNCTAD IV THAT A REVIEW OF RESOLUTION 94(IV) IS THE ONLY ASPECT OF DEBT TO BE SEPARATELY CONSIDERED AT THE MINISTERIAL. THIS POSITION REFLECTS THE INTENTIONALLY NARROW MANDATE OF 94(IV); IT IS OF PRIMARY IMPORTANCE THAT THE AGENDA REFLECT THIS STRICT INTERPRETATION AND NOT BE DESIGNED SO AS TO ENABLE UNCTAD TO BECOME THE FORUM FOR NEGOTIATING THE DEBT ISSUE.

-- WE WOULD SIMILARLY APPRECIATE YOUR VIEWS ON THE ADVISABILITY OF HIGHLIGHTING THE ISSUE OF EAST-SOUTH TRADE (RESOLUTION 95(IV)) BY ESTABLISHING A SEPARATE AGENDA ITEM FOR IT, RATHER THAN CONSIDERING IT AS A SUB-ITEM IN THE GENERAL REVIEW OF UNCTAD'S WORK ON A NUMBER OF QUESTIONS SINCE UNCTAD IV. IN ANY EVENT, WE WOULD WISH TO AVOID CREATING THE IMPRESSION OF A DELIBERATE ATTEMPT TO EMBARRASS THE SOVIETS, WHOSE PERFORMANCE UNDER RESOLUTION 95(IV) HAS LAGGED. THE U.S. WOULD THEREFORE NOT WANT TO TAKE THE LEAD IN PROPOSING SUCH AN ITEM BUT WOULD LIKE TO EXPLORE THE PROS AND CONS OF A COLLECTIVE B GROUP EFFORT, OR EVEN BETTER, ONE BY THE G-77 ITSELF.

-- WE BELIEVE IT IMPORTANT THAT, IN CONSIDERING THE MINISTERIAL AGENDA, THE OFFICIALS MEETING TAKE PROPER NOTE

OF IMPORTANT NORTH/SOUTH EVENTS WHICH WILL OCCUR THIS FALL. THESE INCLUDE THE RESUMED 31ST UNGA, THE 32ND UNGA, THE DEVELOPMENT COMMITTEE MEETING AND THE COMMON FUND NEGOTIATING CONFERENCE. THE U.S., THEREFORE, RECOMMENDS THAT THE CONCLUSIONS OF THE OFFICIALS MEETING BE MADE PROVISIONAL AND SUBJECT TO REVIEW AND CONFIRMATION AND/OR ELABORATION AT SOME POINT AFTER THESE EVENTS. WE WOULD LIKE YOUR VIEWS ON THE POSSIBILITY OF SCHEDULING A SECOND OFFICIALS MEETING IN EARLY DECEMBER TO FINALIZE THE AGENDA. THIS PROCEDURE, WE BELIEVE, WILL ALLOW US TO MAINTAIN SOME DEGREE OF FLEXIBILITY ON THE AGENDA QUESTION IN LIGHT OF INTERVENING EVENTS.

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-- CONCERNING THE TIMING OF THE TDB MINISTERIAL, WE HAVE NO PROBLEMS WITH THE DATES BEING SUGGESTED (JANUARY 23-27) BUT SERIOUSLY QUESTION THE UTILITY OF A FIVE DAY CONFERENCE. TWO OR THREE DAYS STRIKES US AS MORE REASONABLE.

-- THE TDB OFFICIALS MEETING WILL ALSO CONSIDER THE QUESTION OF A SECOND INTERGOVERNMENTAL EXPERTS GROUP ON DEBT, BEING SCHEDULED FOR OCTOBER 17-28, AS WELL AS THE AGENDA FOR SUCH A MEETING. THE U.S. STILL STRONGLY BELIEVES THAT THIS MEETING IS NOT REALLY NEEDED. WE HAVE JUST SENT FURTHER GUIDANCE FROM WASHINGTON ON HOW WE WOULD LIKE TO PROCEED AT THE OFFICIALS MEETING IN SEPTEMBER ON THE DEBT QUESTION.

8. WE HOPE TO CONTINUE EXCHANGES ON THESE QUESTIONS WITH B GROUP DELEGATIONS DURING THE REGULAR TDB (XVII) MEETING (AUGUST 25-SEPTEMBER 2) WHERE CHARLES F. MEISSNER, DEPUTY ASSISTANT SECRETARY (EB/IFD), WILL REPRESENT THE UNITED STATES.

9. FOR LONDON AND BONN: MEISSNER EXPECTS TO DISCUSS SUBSTANCE OF THIS MESSAGE AMONG OTHER VIEWS DURING PRE-TDB (XVII) CONSULTATIONS.

10. FOR GENEVA: GIVEN THE SHORT TIME REMAINING BEFORE THE UNCTAD OFFICIALS MEETING, GENEVA HAS DISCRETION TO APPROACH JAPANESE MISSION IN PARALLEL WITH EMBASSY TOKYO DEMARCHE IF, IN ITS JUDGMENT, SUCH WOULD FACILITATE JAPANESE COORDINATION AND DECISION MAKING ON THE QUESTION OF THE MINISTERIAL AGENDA. VANCE

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